

UNITED STATES VIRGIN ISLANDS



ECONOMIC DEVELOPMENT COMMISSION

INDUSTRIAL PARK DEVELOPMENT CORPORATION

Investors Dream

April 17, 2008

Cecile DeJongh
Manager
Financial Trust Company, Inc.
6100 Red Hook Quarter B-3
St. Thomas, VI 00802

Dear Mrs. DeJongh:

A compliance review has been completed on Financial Trust Company, Inc. Enclosed for your review and commentary is a copy of the compliance report which covers the period of April 1, 1999 to December 31, 2006.

Please respond to this compliance report within ten (10) working days from receipt of this letter. If you have any questions concerning this matter, do not hesitate to contact me at 774-8104, Ext. 236.

Sincerely,



Margarita A. Greenidge-Benjamin
Director of Compliance

Cc: Percival E. Clouden, Chief Executive Officer
Benjamin Rivera, Jr., Assistant Chief Executive Officer
Francois Dominique, Director Application & Intake
Sandra Bess, Compliance Officer

A DIVISION OF THE ECONOMIC DEVELOPMENT AUTHORITY

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COMPLIANCE REPORT
Financial Trust Company, Inc.
As of December 31, 2006

SUMMARY HIGHLIGHT:

- Financial Trust Company, Inc. has enjoyed seven (7) years of tax benefits.
- Financial Trust Company, Inc. met and exceeded the capital investment of US \$300,000.
- Capital Expenditures from 1999 to 2006 were \$570,067 of which 96% (\$546,447) was procured locally.
- Goods and Services from 1999 to 2006 were \$4,252,064 of which 77% was procured locally.
- Financial Trust Company, Inc. met its employment requirement of 11 full-time employees.
- Financial Trust Company, Inc. met its residency requirement.
- Financial Trust Company, Inc. met the 20% management, technical and supervisory requirement.
- Financial Trust Company, Inc. met the requirements of Special Conditions #1, #2, #3 and #5.
- Financial Trust Company, Inc. did not specifically meet the requirements of Special Condition #4.
- Financial Trust Company, Inc. complied with the requirements of the procurement process.
- Financial Trust Company, Inc. met the reporting requirements.



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Title 29, Chapter 12 VIC, Section 715(a) states in part “upon proper application or reapplication, public hearing and in compliance with all other relevant provisions of this chapter pertaining to the grant of initial benefits, as determined and required by the Commission, any recipient of industrial development benefits (sic), may be granted an extension, modification, or renewal of benefits...”

HISTORY:

Financial Trust Company, Inc. was granted tax exemption benefits to conduct the business of financial and economic consulting, money management, investment advisory and fiduciary services for its clients. Such clients will include individuals, trusts, foundations and business entities. Benefits were granted for a period of ten (10) years commencing and terminating as follows:

	<u>Commencement</u>	<u>Termination</u>
Income Taxes	April 1, 1999	March 31, 2009
Gross Receipt Taxes	April 1, 1999	March 31, 2009
Excise Taxes (Raw Materials)	January 1, 2000	December 31, 2009
Excise Taxes (Equip., Mach.)	January 1, 2000	December 31, 2009
Dividend Withholdings	April 1, 1999	March 31, 2009
Interest Withholdings	April 1, 1999	March 31, 2009
Real Property Tax	January 1, 2000	December 31, 2009

On November 6, 1998, the corporation filed Articles of Incorporation with the Office of the Lieutenant Governor. A Certificate of Incorporation, authorizing them to conduct business in the Virgin Islands was issued on November 30, 1998. Upon completing an application to the Economic Development Commission (EDC) on February 22, 1999, the Beneficiary tax benefits were approved by the Governor of the Virgin Islands on November 26, 1999. The certificate of benefits was executed by the Chairman of the EDC Board of Commissioners on March 21, 2000. Financial Trust Company, Inc. has enjoyed seven (7) years of benefits. Financial Trust Company, Inc. is solely owned by Mr. Jeffrey Epstein.



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*Investors Dream***INVESTMENT:**

Commencing no later than one (1) year from April 1, 1999, the Beneficiary shall be required to invest no less than U.S. \$300,000 excluding inventory, in accordance with the EDC Rules and Regulations.

FINDINGS:

As of December 31, 1999, Financial Trust Company, Inc. met the investment requirement of \$300,000. During the period covered by this report the Beneficiary made additional investments totaling \$270,067. Financial Trust Company, Inc. invested a total of \$570,067 as of December 31, 2006.

CAPITAL EXPENDITURE:

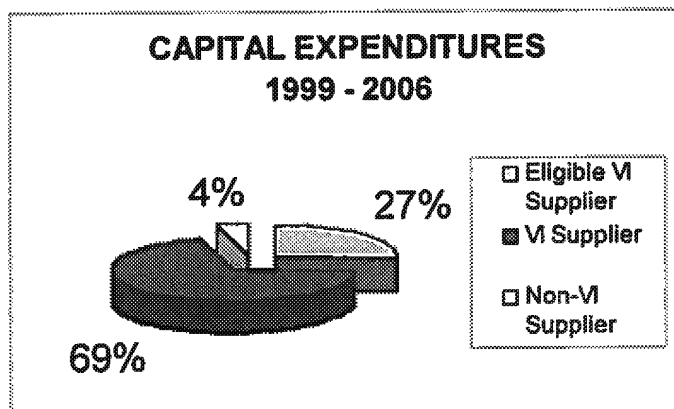
YEAR	Eligible VI Supplier	VI Supplier	Non-VI Supplier	Total
1999	-	326,226	-	326,226
2000	150,539	23,030	14,220	187,789
2001	-	1,599	880	2,479
2002	572	21,860	505	22,937
2003	-	12,906	-	12,906
2004	-	-	6,215	6,215
2005	-	1,781	744	2,525
2006	1,399	6,535	1,056	8,990
Grand Total	152,510	393,937	23,620	570,067

FINDINGS:

From 1999 to 2006 a total of \$570,067 was procured in capital expenditures. Of the expenditures categorized; 69% (\$393,937) were purchases from Virgin Islands Suppliers, 27% (\$152,510) were procured from Eligible Virgin Islands Suppliers for Leasehold Improvements and Office Equipment and the remaining 4% (\$23,620) from Non-Virgin Islands' suppliers for Office Equipment and Furniture and Fixtures.



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*Investors Dream***GOODS AND SERVICES:**

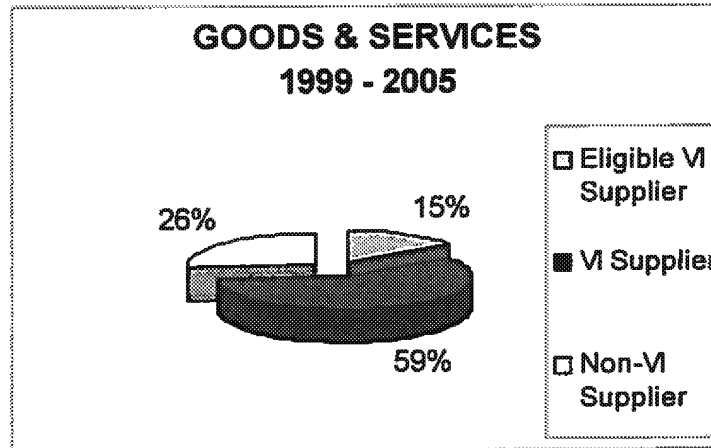
YEAR	Eligible VI Supplier	VI Supplier	Non-VI Supplier	Total
1999	-	30,338	3,615	33,953
2000	281,142	154,391	52,735	488,268
2001	47,558	170,589	109,194	327,441
2002	47,635	453,622	238,419	739,676
2003	44,621	415,191	299,441	759,253
2004	78,551	445,240	166,863	690,654
2005	36,443	435,554	59,590	531,587
2006	45,799	596,029	39,404	681,232
Grand Total	581,749	2,700,954	969,361	4,252,064

FINDINGS:

The total expended for goods and services from 1999 through 2006 was \$4,252,064. Purchases from Virgin Islands suppliers totaled \$2,700,954 (64%); \$969,361 (23%) was spent with Non-Virgin Islands' suppliers; and the remaining \$581,749 (14%) was procured from Eligible suppliers.



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*Investors Dream***LOCAL PROCUREMENT:**

In accordance with Division 10 of the Economic Development Commission Rules and Regulations, the beneficiary must comply with procurement procedures (Section 708-701 to 708-718).

FINDINGS:

From 1999-2006, the beneficiary's total expenditures were \$4,822,131. 64% (\$3,094,891) of the purchases were made from Virgin Island Suppliers of which the majority was spent on leasehold improvements, legal/accounting, and charitable contributions. 21% (\$992,981) were made from Non-Virgin Islands Suppliers and the remaining 15% (\$734,259) was purchased from Eligible Virgin Islands Suppliers.

The non local expenditures totaling \$992,981 comprised mainly of equipment, furniture/fixtures, stock market services and legal/accounting. A total of \$767,057 was procured for legal/accounting and stock market services which are exempt procurement in accordance with Section 708-704 (e) of the EDC Rules and Regulation; \$162,900 included purchases of insurance, travel, dues and subscriptions, supplies and repairs and maintenance. The Beneficiary indicated that these were aggregate purchases from 2000 to 2006 which included computer supplies and CCH Tax guides. The remaining capital expenditure were non-local

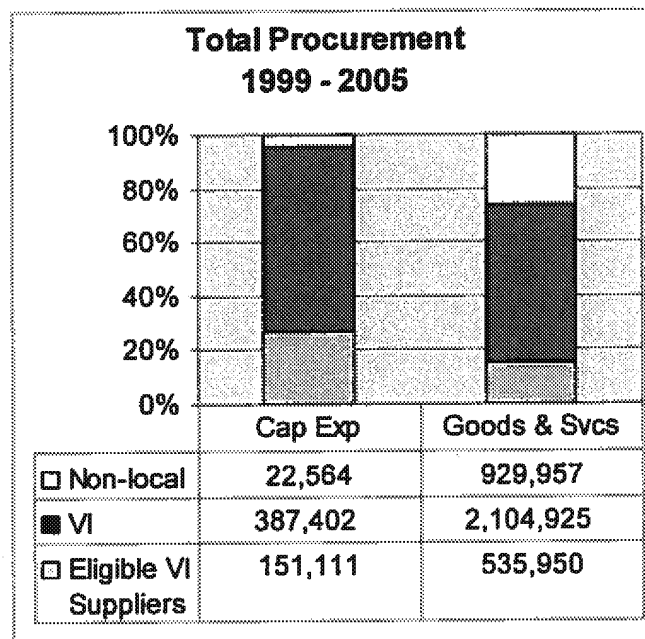


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purchases for office equipment and furniture and fixture totaling \$22,564. Several purchases were exempt in accordance with the EDC Rules and Regulations (promulgated 1981), section 708-704 (b) and Section 708-705 (a).

In January 2000, after approval of benefits and prior to receipt of certificate, the Beneficiary purchased furniture totaling \$3,372 from Crate and Barrel, a non-Virgin Islands supplier and in March 2000 a specialized computer in the amount of \$4,947 was purchased from Micro Computer. In accordance with the EDC Rules and Regulations Section 708-707 (Rules promulgated 1981), the Beneficiary was required to provide proof that solicited quotes were on a competitive basis. The Beneficiary stated that these items were specific brands not available in the Virgin Islands.



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*Investors Dream***EMPLOYMENT:**

The Beneficiary shall employ no later than one year from September 7, 1999 no less than eleven (11) persons on a full-time basis who are residents of the Virgin Islands as defined in Title 29, V.I. Code Section 703(e).

Also, in accordance with Section 710(a) Title 29, Chapter 12, VIC (Amended 1992), after the third year of operation, a beneficiary shall be required to have at least 20% of its management, supervisory, and/or technical positions filled by residents of the United States Virgin Islands unless granted a waiver by the Commission.

§708-605 Full-Time Employment For the purposes of this division, "full-time" employees or employment shall mean employment, on a permanent and continuous basis, for thirty-two hours or more per week.

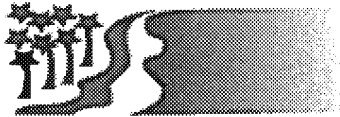
FINDINGS:

YEAR	TOTAL	AVERAGE FULL TIME	AVERAGE V.I. RES.	AVERAGE % V.I. Res.	AVERAGE MGMT.	20% V.I. MGMT
1999	1	1	0	0%	1/1	0%
2000	10	10	10	100%	6/6	100%
2001	11	11	11	100%	6/6	100%
2002	11	11	11	100%	6/6	100%
2003	11	11	11	100%	6/6	100%
2004	12	11	12	100%	7/7	100%
2005	11	11	11	100%	7/7	100%
2006	11	11	11	100%	6/6	100%

From September 6, 2000 to December 31, 2006 the average full-time employment ranged from ten (10) to twelve (12) employees. The Beneficiary met the requirement of eleven (11) full-time employees, and also met the 80% residency requirement and the 20% management requirement for the period covered in this report.



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In the second quarter of 2004, Tequasi Hendricks a senior at the Eudora Kean High School was hired as a part-time clerical employee. The Beneficiary stated Ms. Hendricks walked into the office off the street, inquired about a job, filled an application and was hired. They stated that Ms. Hendricks exhibited exceptional work habits and was therefore hired as a full time Researcher/Bookkeeper after graduating from high school in 2005.

SPECIAL CONDITIONS:

The following conditions shall apply:

1. The Beneficiary shall provide all employees with health care insurance, funded by the Beneficiary
 - From 2000 to 2001, the Beneficiary provided Health, Vision, Life and Dental insurance to all full-time employees. Health and dental coverage was also provided to employees' eligible dependents through Canada Life Assurance.
 - From 2002 to 2006, the Beneficiary provided Health, Dental and Life Insurance through United HealthCare Insurance Company. The Beneficiary paid 100% of the insurance premium for each eligible employee except Tequasi Hendricks whom the Beneficiary stated preferred to be covered by her mother's insurance. The Beneficiary also paid 100% dental and health insurance coverage for the eligible dependents of its employees.
 - Canada Life Assurance and United HealthCare Insurance Company are both registered with the Lieutenant Governor's Office of Banking and Insurance.



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2. The applicant shall provide all employees a qualified retirement plan funded by the Beneficiary.

- In 2001, the Beneficiary provided all full-time employees a SEP/SRA Plan with Merrill Lynch as Custodian. From 2002 to 2006 the Beneficiary established an American Funds Savings Incentive Match Plan for Employees ("SIMPLE") incorporated with an Individual Retirement Agreement (IRA). The Simple IRA is offered to all employees receiving at least \$5,000 in compensation. The Beneficiary makes a matching contribution equal to 100% of elective deferrals up to a limit of 3% per calendar year. It is noted that from 2000 to 2005 eight employees, and in 2006 nine employees, participated in the Simple IRA Plan facilitated by the Beneficiary.

3. The applicant shall provide employee training and tuition reimbursement program for eligible employees.

The Beneficiary provided documentation to show the training provided to employees.

- In 2000 the Beneficiary provided in-house training on Power-point to all staff and specialized training in Communication, Typing, CPA Review and Finance to the accounting employees.
- Training in Conversation Power Video was provided in 2001 to all staff. Computer classes were provided to the messenger/custodian, Front Desk Seminar to the receptionist and CPA reviews and books purchased for the accounting and research staff.
- The entire staff was provided Quick-books training in 2002 and the accounting staff with CPE and CPA courses.
- In 2003 the entire staff attended three (3) different Skill-path Seminars and one (1) course in CPE continuing education.
- In 2004, the Skill-path Seminars were provided to the receptionist, accounting and research staff. Tax Seminars and CPA review courses were provided.



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- CPE Tax Seminars and classes with UVI Cell were offered in 2005 to the accounting staff.
- In 2006, the Network Administrator was provided training with Skill-path. The Controller attended two (2) courses in CPA continuing education. The Bookkeeper registered for a one-day course at the University of the Virgin Islands - Intro to Insurance and Captive Management. And the Receptionist and Custodian / Messenger attended a Conference on the Status of Women.

Additionally, the Beneficiary provided tuition reimbursement to Leon Casey in 2002, Tequasi Hendricks in 2003 and Jermaine Ruan in 2005 for classes taken at UVI.

4. The applicant shall make annual contributions of \$50,000 or one percent (1%) of gross receipts tax exemption value, whichever is greater, to be distributed annually as follows:
 - (a) 50% to educational scholarships
 - (b) 25% for charity
 - (c) 25% for co-op marketing with EDC

However, after issuance of its certificate, applicant shall prepay the first five (5) years of contribution fixed at \$50,000, or the sum of \$250,000, to be distributed as follows:

- (a) \$187,500 to a tax-exempt entity from which annual distributions of not less than \$25,000 to educational scholarship and \$12,500 to charity shall be made, and
- (b) \$62,500 for co-op marketing with IDC



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CERTIFICATE REQUIREMENT:

CERTIFICATE REQUIREMENT					Tax Exempt Entity		
Year	Gross Receipt	Gross Receipt Exemption	1% Gross Receipt Exemption Value	Contribution per EDC Certificate	50% to Educational Scholarships	25% Charity	25% Co-op Marketing with EDC
After Certificate issued - five (5) years prepayment				250,000	125,000	62,500	62,500
2000				-	-	-	-
2001				-	-	-	-
2002				-	-	-	-
2003				-	-	-	-
2004				-	-	-	-
2005				50,000	25,000	12,500	12,500
2006				50,000	25,000	12,500	12,500
Total Contribution per EDC Certificate				350,000	175,000	87,500	87,500

The Beneficiary provided documentation for the period January 2000 to December 2006 showing total contributions of \$1,762,465; \$313,875 from Financial Trust Co., Inc. and \$1,448,590 from the J. Epstein Foundation; made to charities, educational scholarships, educational symposiums (*other*) and Co-op Marketing to the EDC.

	Total Contributions	J. Epstein Foundation	Educational Scholarships	Charity	Co-op Marketing with EDC	Other & Educational Symposiums	Ineligible Contributions
Financial Trust Co., Inc.	313,875	187,500	21,625	11,053	75,000	4,397	14,300
Certificate Requirement	350,000	187,500	50,000	25,000	87,000	-	-
Variance	(36,125)	-	(28,375)	(13,947)	(12,500)	4,397	14,300
J. Epstein Foundation	1,448,590	-	649,431	434,497	-	357,662	7,000
Over / Short Contributions	1,412,465	-	621,056	420,550	(12,500)	362,059	21,300



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In 2005 and 2006, Financial Trust Co. Inc. did not directly contribute total requirement in charitable contributions in the area of educational scholarship and charity. However, it is noted that additional contributions were made from the J. Epstein Foundation. A total of \$1,448,590 was reported, of which \$1,261,000 was over the requirement of \$187,500 prepaid by Financial Trust Co., Inc. Mr. J. Epstein, sole owner of Financial Trust Company Inc. personally funds the J. Epstein Foundation.

In addition, the Beneficiary was initially notified that a contribution of \$12,500 was not due for the 2006 Co-op Marketing with EDC. However during this audit, reconciliation of the Beneficiary's contribution account identified an error in recording a duplicate payment. Adjustments were made and the Beneficiary was notified of payment due and restitution to be made accordingly.

Following are actual contributions made by Financial Trust Co., Inc and the J. Epstein Foundation:

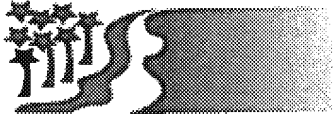
ACTUAL CONTRIBUTIONS: FINANCIAL TRUST CO., INC.

Year	Total Contributions	J. Epstein Foundation	Educational Scholarships	Charity	Other – J. Epstein	Co-op Marketing with EDC	Ineligible
2000	189,401	187,500 ¹	-	1,150	551	-	200
2001	80,920	-	17,620	600	50	62,500	150
2002	600	-	600	-	-	-	600
2003	1,313	-	-	808	5	-	500
2004	13,528	-	-	7,000	3,578	-	2,950
2005	18,081	-	1,110	625	46	12,500	3,800
2006	10,032	-	2,295	870	167	-	6,700
Totals	313, 875	187,500	21,625	11,053	4,397	75,000	14,300

¹ \$187,500 prepaid to the J. Epstein Foundation for 5 years (2000 – 2005)



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- In 2000, the Beneficiary set up and made an initial payment of \$187,500 to a tax exempt entity; the J. Epstein Virgin Islands Foundation, Inc. as requested in the EDC benefits certificate. The Beneficiary also made an additional charitable contribution of \$1,901.
- In 2001, the Beneficiary made a total contribution of \$80,920. Educational Scholarship totaling \$17,620 to the Ruby Rutnik Scholarship Fund and Antilles School Inc. Contributions in the amount of \$600 was made to several charities and a contribution of \$50 was reported as other for personal contributions by Mr. J. Epstein. And a payment of \$62,500 was made to the EDC for Co-op marketing.
- In 2002, a total of \$600 was contributed by the Beneficiary toward educational scholarships.
- In 2003, the Beneficiary contributed \$808 primarily to educational scholarships.
- In 2004, the Beneficiary contributed a total of \$13,528; \$7,000 was given to charities and \$3,578 reported as other for personal contributions made by J. Epstein.
- In 2005, the Beneficiary contributed a total of \$18,081; \$1,110 made to educational scholarships, a shortage of \$23,890, \$625 to charities, a shortage of \$11,875, and a payment of \$12,500 to the EDC for Co-op marketing.
- In 2006, the Beneficiary contributed a total of \$10,032; \$2,295 given for educational scholarships, a shortage of \$22,705, \$870 to charities, a shortage of \$24,130 and \$167 reported as other for personal contributions by J. Epstein.



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*Investors Dream***ACTUAL CONTRIBUTIONS: J. EPSTEIN FOUNDATION**

Year	Total Contribution	Educational Scholarships	Charity	Educational Symposium	Ineligible Contribution
2000	38,000	25,000	13,000	-	-
2001	11,100 ²	500	10,600	-	-
2002	281,477	120,281	90,100	71,096	-
2003	179,886	135,250	43,136	-	1,500
2004	263,976	162,610	95,866	5,000	500
2005	250,314	90,200	138,019	20,595	1,500
2006	423,837	115,590	43,776	260,971	3,500
Totals	1,448,590	649,431	434,497	357,662	7,000

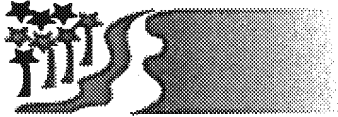
The J. Epstein Foundation is a tax exempt entity established by Financial Trust, Company Inc., the Beneficiary, primarily for making charitable contributions to the Virgin Islands community.

- In 2000, the J. Epstein Foundation received \$187,500 from Financial Trust Company, Inc. as required by the Beneficiary's certificate. The J. Epstein Foundation made a contribution of \$38,000; \$25,000 to the Community Foundation of the VI for educational scholarships and \$13,000 to charities such as the American Cancer Society, the St. Croix Shriner's Club, Caribbean Light Lodge Scholarship Fund, Beacon Schools and the United Way of St. Thomas/ St. John and St. Croix. The charitable contribution was \$500 over the certificate's commitment.
- In 2001, the J. Epstein Foundation contributed \$500 to educational scholarships and \$10,600 to charities. These charities included: Antilles School, Inc., Charlotte Amalie High School PED, Women's Business Center, the St. Thomas Baseball Explorers and the St. Thomas Youth Soccer Association. These contributions were \$26,400

² Per benefits certificate: commitment was not made.



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short of the certificate's commitment: \$24,500 – educational scholarships and \$1,900 - charities.

- In 2002, All Saints School, UVI/Tom Joyner Foundation, Inc. and Antillies School received \$120,281 toward educational scholarships. A total of \$90,100 was given as charitable contributions to: Antilles School, Arts Alive, Beacon School, the Safety Zone, Elrod Hendricks Little League West and Zero Tolerance Inter-Neighborhood Basketball. Additionally, a total of \$71,096 was contributed to an Educational Symposium on Artificial Intelligence. A member of the Beneficiary's management staff stated that Mr. Epstein likes to enable students of a community to become accessible to the world of science and other topics. He therefore invited some famous scientists to the Virgin Islands for a symposium. The symposium was advertised via all the Virgin Islands newspapers and radio airwaves. An invitation was also extended to public and private school students. These contributions were \$243,977 over the certificate's commitment.
- In 2003, a total of \$135,250 was made for educational scholarships to All Saints Cathedral School, Antillies School, Ruby Rutnik Scholarship Fund, Inc., Senator Carlton Dowe Summer Enrichment Program and St. Mary's School. The Boys and Girls Club, Cheetahs Track Club, Kidscope, Inc., St. Thomas / St. John Sickle Cell Disease Association, We From Upstreet Inc., V.I. Montessori School and the RLS Hospital Cancer Fund are some organizations which received charitable contributions totaling \$43,136. A contribution was also made to the Auburn University for the Ed Thomas, Jr. Symposium. Mr. Thomas is a Virgin Islands resident who has excelled in academia. These contributions were \$142,386 over the certificate's commitment.
- In 2004, the J. Epstein Foundation contributed a total of \$162,610 in educational scholarships to All Saints Cathedral School, Antilles School, the Community Foundation of the VI Inc. and the Ruby Rutnik Scholarship Fund. A total of \$95,866 in charitable contributions were made to some charities which included; Dinn Bros



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f/b/o Yankees Pee Wee Team, Humane Society of St. Thomas, Ras Tafari Improvement Association, Inc., the Virgin Islands Golf Federation, Inc. and the Women's Coalition of St. Croix. A contribution of \$5,000 was made to an Educational Symposium. These contributions were \$226,476 over the certificate's commitment.

- In 2005 contributions from the J. Epstein Foundation Fund to Educational Scholarships totaled \$90,200. These were given to All Saints Cathedral School, Alpha Kappa Alpha Sorority, Inc., Antilles School, Julius E. Sprauve, Miss. Virgin Islands Scholarship Fund and the Ruby Rutnik Scholarship Fund, Inc. A total of \$138,019 was given to charities which included UVI Upward Bound Parent Association, Caribbean Chorale, Inc., BAPO Softball League and Catholic Charities of the Virgin Islands. An additional contribution of \$20,595 was made to an Educational Symposium on Physics.
- In 2006, the J. Epstein Foundation made charitable contributions totaling \$43,776 to The St. Thomas Storm Baseball Club, the United Way of St. Thomas-St. John, the Community Foundation of the Virgin Islands. Educational scholarships totaling \$115,590 was given to The Friends of the St. Thomas Public Library, Miss. Virgin Islands Scholarship, All Saints Cathedral School, Antilles School and Interscholastic Athletic Association. The J. Epstein Foundation hosted the CERCA Physics Conference and contributed a total of \$260,971.

It is noted that during the period covered in this report, Financial Trust Company, Inc. (\$7,000) and the J. Epstein Foundation (\$14,300) made contributions totaling \$21,300 to organizations not qualified to receive tax-deductible contributions in accordance with the Internal Revenue Service. These organizations include the St Thomas-St. John Chamber of Commerce, the 2004 Congressional Campaign Committee, People for Progress, the Governor's Special Events Fund and the Dejongh Francis 2006 Transition.



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5. The applicant shall utilize the services of resident licensed broker dealers whenever possible, given market conditions.

- The Beneficiary provided documentation showing Seslia Securities, a FINRA registered broker was utilized as a Broker of Record for their Savings Incentive Match Plan.

REPORTING REQUIREMENTS:

IDC Annual Report:	Current
Income Tax Return / Audited Financial Statements	Current
Lt. Governor's Annual Report:	Current
VIESA Report:	Current
Affidavit of IDC Beneficiary:	Current
Publication Notices	Current

FINANCIAL ANALYSIS REVIEW:

Cost Benefit Analysis reflects an approximate ratio of 1 to .21 for the years 1999 to 2006. This means that for every \$1 given up in tax benefits \$0.21 was spent in the local economy which includes employee taxes paid, local wages, local taxes paid, local procurement of goods and services and capital expenditures, a loss of \$0.79. This includes the value of tax exemptions on personal income tax of Mr. Jeffrey Epstein, the sole owner of Financial Trust Company, Inc.



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CONCLUSION

1. Met the investment requirement.
2. Met the full-time employment requirement.
3. Met the residency and management requirement.
4. Complied with the procurement requirements.
5. Complied with Special Condition #1 by providing Health, Life and Dental Insurance funded by the Beneficiary.
6. Complied with Special Condition #2 by providing a qualified retirement plan funded by the Beneficiary.
7. Complied with Special Condition #3 by providing training and tuition reimbursement to eligible employees.
8. Did not specifically comply with Special Condition #4 - annual charitable contributions in 2005 and 2006. There was a shortfall of \$12,500 for Co-op Marketing with the EDC and \$42,322 to charity and educational scholarships. However, contributions made from the J. Epstein Foundation for charity and educational scholarships exceeded the overall requirement.
9. Complied with Special Condition #5 by utilizing resident licensed broker dealers.
10. Complied with the reporting requirements of the EDC.

Prepared by: Sandra Bess
Reviewed by: Margarita A. Greenidge Benjamin
April 14, 2008

